

Week 08, 2020

## Tea Market Report 17 – 21 February 2020

In **Kenya**, the seventh auction of the year saw the total packages on offer rise again, with 202'559 packages on offer, up from 189'950 the previous week. The absorption rate was marginally improved, with 11% of teas remaining unsold, compared to 12% last week. Despite, the continuous large offerings since the new year, there remains good demand in the market, with the all average hammer price only dropping 3usc to settle at \$2.00. On another point, there are reports that desert locusts have swarmed some teas plantations in Nyeri, which could have a devastating impact on crop production. In **Malawi**, in this week's auction there were 7'480 packages on offer and the absorption rate sat at 78.88%, a 13.42 increase on the previous week. The all average hammer price rose from 132.39usc to 139.40usc, thanks to the good demand in the auction. In **Indonesia**, there was less demand for the 9'800 packages on offer, with 32% remaining unsold. General price trends indicated that Java/Sumatra Orthodox were mostly selling at steady to easier rates, with Java and Sumatra CTC following the same price trends. In **Sri Lanka**, the auction quantities remain limited and are well below the levels of last year, but with the ongoing lower supply going forward, it is likely that the market will remain strong. The total sale average rose from \$3.30 to \$3.36 this week, which is significantly higher than the corresponding auction last year, which sat at \$3.21. Additionally, the crop figures for January 2020 were released and the figure is 21.9m kgs, reflecting a 1.3m kg deficit when compared to 2019. In fact, it is the lowest January crop figure over the last 3 years, with Low and Medium Growns making up the bulk of the loss. In **North India**, the Tea Board has given permission for plucking of all teas, across all states from 17<sup>th</sup> February 2020.

"Remember, today is the tomorrow you worried about yesterday". – Dale Carnegie

### Crop figures (in m.kg)

	Jan 20	Jan 19		
<b>Sri Lanka</b>	21.9	23.2		
	Dec 19	Dec 18	Jan-Dec 19	Jan-Dec 18
<b>Malawi</b>	4.98	6.35	48.19	50.59
<b>Kenya</b>	50.66	51.83	458.85	493.00
<b>Sri Lanka</b>	22.00	26.00	300.10	303.90
<b>India</b>	67.00	55.5	1389.70	1338.60

### Upcoming auction quantities (pkgs)

	Week 9	Week 10	Week 11
<b>Mombasa</b>	208'298	196'918	198'279
<b>Blantyre</b>	7'280	5'440	N/A
<b>Colombo</b>	5.4m kgs	5.4m kgs	N/A
<b>Jakarta</b>	13'360	N/A	N/A
<b>Kolkata</b>	56'417	7'826	N/A
<b>Guwahati</b>	N/A	8'921	N/A

### KENYA

**Auction** – Best BP1's irregularly firm to dearer following quality. Below best steady – 10usc easier and more for selected best, good medium opened steady but gained to close firm to a few usc dearer, medium steady – 5usc easier plainer firm. Best PF1's steady – 4usc easier, below best 4-6usc easier, good medium steady - 4usc easier, medium irregularly steady to easier with selected best firm and plainer steady – easier. Best PD's up to 2usc easier, below best steady-5usc easier, good medium 5-15usc easier, medium irregularly steady- 5usc easier and plainer up to 5usc easier. Best D1's steady- 8usc easier, below best irregularly steady -14usc easier, good medium steady -6usc easier, medium steady - 5usc easier and plainer up to 5usc easier.  
**Demand** – Pakistan packers continued supportive of the market with Egypt also active. UK and Russia were selective. Yemen and Sudan maintained, whilst Kazak, Bazar and Afghan were slower. Somalia was active at the lower end of the market.  
**Weather** – EoR – On the whole, minimal rainfall with sunny periods in the morning and the occasional scattered shower. WoR – The week started off dry and transitioned into some showers later in the week. Crop intake EoR crop levels remained steady and WoR crop levels remained high.

### MALAWI

**Auction** - BP1 taken out under bid, PF1 Sc good demand at steady – 2usc easier, PF1 Seedling very good demand at steady – 1usc easier rates, PF's selective at last week's prices, PF's good demand at steady – 1usc dearer rates, D1's strong demand at 10-12usc dearer, offgrade fngs very good demand at steady – few cents dearer rates, offgrade dust neglected.  
**Weather** - Mulanje: Good rains were recorded on the 12<sup>th</sup> of February and throughout the remainder of the week it was dry and sunny. In Thyolo there were frequent showers on the 11<sup>th</sup> and 12<sup>th</sup>, yet almost all the rains occurred in the evening.

## **SRI LANKA**

**Auction** – High Grown – fair demand. Western BOP best 5-10usc dearer, below best 5-8usc dearer and plain 5usc dearer. Western BOPF best 5-10usc dearer, below best 3-5usc dearer and plain 5-10usc dearer. N. Eliya BOP 10-20usc dearer and BOPF 20usc dearer. Uva/Udapussellewa BOP 3-5usc dearer and BOPF 5-10usc dearer. Low Grown – fair demand. OP1 select best firm, best 5usc lower, below best 5usc lower and bottom firm. BOP1 select best 10usc lower, best 5usc lower, below best firm and bottom 5usc dearer. OP select best and best 5usc lower, below best firm – 5usc dearer and bottom 5usc dearer. OPA select best firm, best 5usc lower, below best and bottom 5usc dearer. Pekoe 1 select best 5usc dearer, best firm, below best 3usc lower and bottom 5usc dearer. Pekoe select best, best and below best 5usc lower and bottom 5-10usc dearer. FBOP/FBOP1 best firm, below best firm and bottom 10usc dearer. FF1 best 10usc lower, below best and bottom firm. FF all round firm. BOP best and below best firm, bottom 5usc dearer and BOPF all-round firm. Tippiess/specials all around firm. Off grades – Liq. Fgs all round firm. Low Grown Fgs select best lower by 10usc whilst others firm and bottom 10usc lower. BP best 20usc dearer and bottom 40usc dearer, BM best firm, below best firm and bottom 20usc dearer. BOP1A select best 5usc lower, best firm, below best and bottom 15usc dearer. Dust - High Grown/Liq.primary better sorts firm -20usc dearer, others firm to 15usc lower following quality. Secondaries firm. Low Grown better sorts firm -10usc dearer others firm.

**Demand** – High Grown/Mid Grown – There was a total of 1.6 million kilograms on offer. Unilever was operating, along with buyer on behalf of South Africa, Japan, UK, The continent, Hong Kong, China, North America and select Middle East out markets. Low Grown – There was a quantity of 2.4 million kilos on offer this week. Saudi Arabia was operating, along with buyers on behalf of Russia, Syria, Iraq, Turkey, Jordan, Lebanon, Germany and some East European out-markets, Iran was quiet.

**Weather** – Dry and bright weather conditions continue to prevail in all planting districts, with crop intakes low.

## **INDONESIA**

**Auction** – Java orthodox – fair demand, BOP1 firm, BOP steady, BOPF steady. PF firm, dust firm, BT steady, BT2 steady, PF2 firm, D2 firm D3 firm. West Sumatra – fair demand. BOP1 firm, BOP firm, BOPF firm – 4usc dearer, PF neglected, Dust firm, BT firm, BT2 firm, PF2 firm, D2 N/A, D3 N/A. Java CTC - less demand. BP1 west withdrawn and east N/A, PF1 west firm and east neglected, PD west withdrawn and east withdrawn, D1 west firm and east withdrawn, Fngs west firm and east neglected, D2 west withdrawn, east withdrawn, F2 west N/A and east N/A.

**Weather** – Java – in West and Central Java it was mostly cloudy with some heavy showers and in the east enjoyed sunny conditions in the mornings and regular rains in the afternoons. In Sumatra it was regularly sunny in the morning with irregular showers in the afternoon, lower precipitation levels were reported in the north and south, compared to the west.

## **INDIA**

### **Kolkata**

**Auction** – CTC – Good demand at lower levels. Select Assams maintaining quality and selling readily, the remainder lending easier and witnessing withdrawals. Orthodox – Improved demand at lower levels. Clean, well-made and easier whole leaf and brokens selling readily at levels similar to last. Remainder browner, stalkier and end season whole leaf, brokens and fannings selling irregularly at lower rates, particularly secondary grades.

### **Guwahati**

**Auction** – CTC – opened to good demand. Select good liquoring teas barely steady, remainder irregular following quality. Dust – All sorts tending easier following quality.

### **Coonoor**

**Auction** – CTC – Brighter liquoring teas sold at steady to easier levels. Good, better medium and medium met a downtrend by up to 4usc or more amidst weak demand and is piled up with larger volume of teas barring select bolder and fannings grades, which were barely steady and plainer varieties irregularly lower at last levels. Orthodox – selective demand. Whole leaf grades irregular and lower, other broken and fannings came to lower market once again with some quantity remaining unsold. CTC dust – Brighter teas easier by up to 4usc, good and better mediums easier by 2-4usc with teas once again facing withdrawals, medium teas declined by 2usc but were sold better in volume compared to last and plainer teas were easier.

### **Cochin**

**Auction** – Orthodox – less demand. Select Nilgiri teas sold at around last in line with quality, medium sorts continued to see heavy withdrawals on the primary brokens and secondary grades, whole leaf grades sold lower and fannings types also lower.

### **Coimbatore**

**Auction** – Leaf – fair demand. Better liquoring brokens around last levels, medium and plainer types irregularly lower and fannings firm. Orthodox – fair demand. Whole leaf sold at fully firm levels, remainder easier and facing withdrawals. Dust – fair demand. Good liquoring PD's easier by up to 2usc with fair withdrawals, finer grades around last, medium sorts easier by 2-3usc, plainer types lower by 1-2usc with fibrous kinds facing withdrawals.

*All price movements quoted in USD per kilo*

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